

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-v-

MICHAEL STEINBERG,

Defendant.

USDS SDNY
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No. 12 Cr. 121 (RJS)
ORDER

RICHARD J. SULLIVAN, District Judge:

The Clerk of the Court is respectfully directed to docket the attached letter,

SO ORDERED.

Dated: May 8, 2014
New York, New York


RICHARD J. SULLIVAN
UNITED STATES DISTRICT JUDGE

Adam B. Resnick

Date: May 6, 2014

The Honorable Richard J. Sullivan
United States District Judge
Thurgood Marshall
United States Courthouse
40 Foley Square
New York, NY 10007

Dear Judge Sullivan:

My name is Adam B. Resnick, and I am writing you this letter regarding the May 16, 2014 sentencing of Michael Steinberg. Unfortunately, having once been sentenced to prison myself for a crime that stemmed from a gambling addiction, I am all too aware that these letters typically come from either those commissioned by a defendant or victims. In this case, I am neither.

By way of background, my relationship with Michael Steinberg originated at the University of Wisconsin-Madison in 1992. Subsequently, we were roommates and even incorporated a business together. After college, and until the summer of 2006, we were about as close as two friends could be.

I apologize in advance for the length of this letter. However, to properly express my thoughts, I feel it appropriate to include several anecdotes. I assure your Honor that my only impetus in doing so is to convey an intellectually honest letter for the consideration of the court.

I have read numerous letters sent to the court on Michael's behalf. I know that sentencing letters (by design) usually lack balance and an objective perspective. I am going to try to do my best to be unconventional. Despite the inherently biased nature of these letters, I must say that the flattering characterization that many have depicted of Michael is very close to reality. Certainly he is not without flaws, but the overall sentiment with respect to his intelligence and devotion to his family are quite true.

I always found Mike to be a cerebral and thoughtful person, and, unlike myself, I admired his lack of impulsivity. To that end, after my daughter was born in 1999 I asked Michael to be one of three executors of my estate. Among my contemporaries he was the most financially stable, but the real reason I felt that he was the right person to look out for my family was that I had

confidence he would have no agenda other than the welfare of my wife and daughter. I knew that despite his wealth, he was still grounded.

In my opinion, his conservative nature was contrarian to the work that he did. I always joked that he and his associates were "the most overpaid typists in the world." I said that in jest many times, but, candidly, those were my feelings. I believed that his solid upbringing and intellect could enable him to do something more meaningful for society than being a trader. We would have debates about what value traders brought to society, and others in the room would inevitably have a narcissistic response. However, Michael would always be the one to humbly concede, "well, maybe liquidity." He never confused what he did with curing illnesses, but he also made sincere efforts to utilize his talents to better society when not working on Wall Street.

We had many serious discussions about what his "number" was, meaning, what would be enough to call it a day and to move on to something that would make his future children proud. I always encouraged this as his friend, and he was very receptive to my suggestions.

On several occasions, Michael invited me to his offices in Stamford and New York City. I observed how he approached his trading with the same cerebral delicacy that he did just about everything else in his life. I can also tell you that it was uncomfortable to watch because I felt as his friend that he was better than the cut-throat culture that surrounded him. Despite what you may have read, I don't believe that Michael was ever in his comfort zone. From my viewpoint, I believe he was different than the average trader at SAC Capital because he did in fact have a number, and, if others did, it was so greedy and unrealistic that it only was a matter of time before they lost their way. Michael was never a natural fit for that environment, but what he lacked in cultural similarities, he more than made up for with his intellect.

Michael demonstrated an empathy for others, which was no more apparent than the day my own indictment was finally announced. I had written an apology to my closest friends and family. By then, I profoundly understood the impact my transgression had on them. He offered me words of wisdom and hope. He even reassured me that "despite what you are charged with, I want you to know that you are caring and generous, I would even go as far as principled." At the time, it meant more to me than anything.

Around this time, Michael and I entered into an agreement that would transfer my "life rights" to him. Michael expressed interest in protecting the only asset I had left after a long self-destructive life as a compulsive gambler. Ironically, he was also intrigued by the possibility of commercially sharing the human story behind someone charged with a crime that seemingly was contradictory to their character. And despite mainstream interest in my story, it wasn't even

a second thought for my wife and me. We trusted him implicitly and we all agreed that our only interest was to tell our story as a true cautionary tale without sensationalism. Sadly, that arrangement was the beginning of the end of our relationship.

In the fall of 2006, we had a dispute over what each party was required to contribute to the endeavor. One afternoon, our dispute snowballed into a series of back-and-forth below the belt insults. I was at my weakest hour and he was probably at his strongest. Regretfully, we both made hurtful statements. Within hours, I received a call from my criminal defense attorney and she told me that the FBI and AUSA on my case wanted to interview me about my dispute with a prominent trader, Michael Steinberg. To say I was stunned is an understatement, but after an investigation, the government wrote in a memorandum on January 12, 2007 that "my words were crude, however, I did not break any federal laws."

My lawyer, the government, pre-trial services, and my probation officer assured me that was the end of the saga. Unfortunately, that was not the case at my sentencing on January 16, 2007 where the judge revoked my previously court ordered surrender date of April 1, 2007. He made specific reference to my dispute with Michael as the reason for his change of heart. It was a devastating blow to all of my supporters in the courtroom, and especially my wife, because, as the court was aware, we hadn't yet told my young children that "Daddy was going away." I had been on pretrial release for two years prior and had zero infractions or run-ins with law-enforcement in my life and had cooperated in my own case.

I was then one of three white collar (the others were flight risks) defendants held at the MCC. I was subsequently transferred on Con-Air in shackles to high-security prisons with a black box four times over the course of six months. I wasn't afforded the traditional self-surrender of a non-violent felon. I had a "cellie" who was on America's Most Wanted List for killing a U.S. Marshall. I was beaten severely by eleven guys because of my heritage. I was once put in the "hole" for protective custody for an extended period of time and another time to avoid "broad publicity." My family had to borrow \$30,000 to hire a criminal defense attorney who had a relationship with the BOP just to find out if I was alive.

Why do I tell you this story? For a long time I harbored much anger against Michael for his actions and the damage it caused me. However, I know from the most painful experience of my life (being away from my children), that such time will either make people bitter or intellectually honest. I am solely responsible for putting myself in that position to begin with, and, thus, I have chosen the latter. Despite to this day having real righteous indignation with respect to our dispute and not hearing from him during my darkest hour, I do not want to see him unnecessarily

punished. And hopefully my feelings about his character will leave you with no doubt about who he is.

Your Honor, I do not know all of the specific facts of this case other than what I have read in the newspapers and on Pacer. At this point it's irrelevant; the jury has spoken and I personally accept that.

A week after his conviction I sent a text message to Michael and his wife, Liz. I expressed my sincere sadness for what they face as a family. His conviction profoundly affected me. And despite our longtime estrangement, I offered to write a letter on his behalf and to help prepare him for what he faces. My offer didn't include a quid pro quo in return. I didn't hear back, presumably on advice of his counsel. In any case, I would not have allowed his lawyers to make any edits to my letter anyway, so it is better that you receive my unfiltered views.

I am sure it is not surprising to hear that I believe in second chances. After all, we are all fallible as humans and, until someone is walking in another's shoes, it is easy to judge. I know your job is quite difficult on so many levels. I have followed your rulings and I feel you are a very fair man who considers the spirit of, and follows, the law.

My children are the same exact gender and were the same exact ages as Michael's children when I went to prison. Obviously his conviction will have a tremendous impact on Liz and them. I'm certain that he would trade all of his money and future in trading to mitigate any time away from his loved ones. In 2006, I was fortunate enough to fly to New York City and meet his newly born daughter. From outside the room I was choked up after witnessing a quiet moment he shared with her. It's hard to articulate that moment, but all I can tell you is that I believe that encompassed Michael's true character.

I have witnessed many people viscerally react to others who followed in their criminal path, and most seem to feel the need to have others experience their pain or worse. However, I don't necessarily share that sentiment. I know it's cliché to say that Michael has already paid a dear price. Personally, I lament and pay every day for the choices that took me down a path so contrary to everything that I morally and ethically believe in. But, somewhere in my subconscious I always knew that what I was doing was wrong. I am not convinced, on the other hand, that Michael ever believed he was breaking the law. I believe he wanted to do the right thing and tried to do the right thing. I certainly don't believe that he was ever an organizer.

As you receive letters in Mike's defense, I suspect that he is probably uncomfortable with the overwhelming praise he has received from his friends and supporters. He would probably want you to know that he doesn't think of himself as a saint. He would never take such a sanctimonious position behind closed doors.

I hope that you consider my human depiction of Michael Steinberg when rendering your decision. I have made tremendous strides since my own indiscretions and believe that I have been a positive contributor to society since my release. I have not spoken to Mike or his family in nearly eight years, but I am confident that Michael doesn't need to experience the same pain and time to do the same. In fact, Your Honor, in my opinion, if there was ever a time to weigh the risk to society with respect to deterrence and safety, I have never been more confident in my life that Michael has learned many lessons over the past several years and unnecessary time would be futile and detrimental.

I always tell people that there is a big difference between a felon and criminal. Because a jury of Michael's peers has spoken, he, like me, will always have to live with the stain of the former. As somebody who strives to be a good person everyday (and who always has), as somebody who strives to be decent and law-abiding, I speak from experience when I say that the stain of the "felon" label haunts me every day. It will haunt Michael the same precisely because he is a thoughtful person, decent, empathetic person, and because that label does not reflect who he truly is. In my own humble opinion, and having gone through a similar experience, I believe that punishment is enough.

I know that your Honor must consider a variety of perspectives and factors, and I most respectfully ask that you consider mine as well when rendering your sentence to Michael Steinberg. I pray that it is just.

Again, thank you for your time and consideration.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Adam B. Resnick". The signature is fluid and cursive, with the first name "Adam" being more prominent.

Adam B. Resnick